

Exhibit No.:  
Issue: Demand Side Investment Mechanism  
Rider  
Witness: Lisa A. Starkebaum  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Evergy Missouri Metro  
Case No.: ER-2020-0388  
Date Testimony Prepared: June 1, 2020

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO.: ER-2020-0388**

**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**ON BEHALF OF**

**EVERGY METRO, INC. d/b/a EVERGY MISSOURI METRO**

**Kansas City, Missouri  
June 2020**

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of Evergy Missouri Metro's )  
Demand Side Investment Mechanism Rider ) Case No. ER-2020-0388  
Rate Adjustment and True-Up )  
Required by 20 CSR 4240-20.093(4) )

**AFFIDAVIT OF LISA A. STARKEBAUM**

**STATE OF MISSOURI )**  
**) ss**  
**COUNTY OF JACKSON )**

Lisa A. Starkebaum, being first duly sworn on her oath, states:

1. My name is Lisa A. Starkebaum. I work in Kansas City, Missouri, and I am employed by Evergy, Inc. as Manager, Regulatory Affairs.
  
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Evergy Metro, Inc. d/b/a Evergy Missouri Metro, consisting of nine ( 9 ) pages, having been prepared in written form for introduction into evidence in the above-captioned docket.
  
3. I have knowledge of the matters set forth therein. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded, including any attachments thereto, are true and accurate to the best of my knowledge, information and belief.

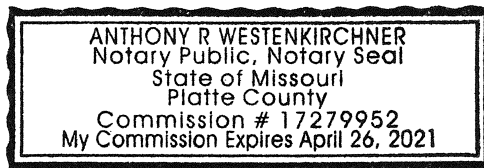
*Lisa A. Starkebaum*  
\_\_\_\_\_  
Lisa A. Starkebaum

Subscribed and sworn to before me this 1st day of June 2020.

*Anthony R. Westenkirchner*  
\_\_\_\_\_  
Notary Public

My Commission expires:

4/26/2021



**DIRECT TESTIMONY**

**OF**

**LISA A. STARKEBAUM**

**Case No. ER-2020-0388**

1 **Q: Please state your name and business address.**

2 A: My name is Lisa A. Starkebaum. My business address is 1200 Main Street, Kansas City,  
3 Missouri 64105.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Evergy or the “Company” as Manager - Regulatory Affairs.

6 **Q: What are your responsibilities?**

7 A: My responsibilities include the coordination, preparation and review of financial  
8 information and schedules associated with the Company’s compliance filings for Evergy  
9 including: Evergy Kansas Central, Evergy Kansas Metro, Evergy Missouri Metro and  
10 Evergy Missouri West.

11 **Q: Please describe your education.**

12 A: In 1994, I received a Bachelor of Science Degree in Finance from Northwest Missouri  
13 State University in Maryville, Missouri.

14 **Q: Please provide your work experience.**

15 A: In 1995, I joined Cerner Corporation as an Accountant in the Finance Department  
16 assisting with month-end close and reporting responsibilities. In 1997, I joined Aquila,  
17 Inc. (“Aquila”) where I worked in the Financial and Regulatory Reporting group as an  
18 Accountant, until joining Regulatory Accounting Services as a Regulatory Analyst in  
19 1999. I was employed by Aquila for a total of 11 years prior to beginning my

1 employment with KCP&L in July 2008 as a part of the acquisition of Aquila, Inc., by  
2 Great Plains Energy Incorporated. Since that time, I have held various positions with  
3 increasing responsibilities within Regulatory Accounting Services and Regulatory  
4 Affairs. As a Lead Analyst in the Regulatory Affairs department, my main areas of  
5 responsibility included the preparation of FERC and jurisdictional reporting, as well as  
6 assisting with the preparation of rate cases and providing rate case support. In December  
7 2015, I became a Supervisor, Regulatory Affairs responsible for overseeing a team  
8 dedicated to compliance reporting and was later promoted to Manager, Regulatory  
9 Affairs effective June 2018. In my current position, I am responsible for overseeing  
10 various reporting requirements to ensure Evergy is compliant with its jurisdictional rules  
11 and regulations, in addition to the implementation of new reporting or commitments  
12 resulting from various rate case orders and other regulatory filings. In addition, I oversee  
13 the coordination, review and filing of various rider mechanisms.

14 **Q: Have you previously testified in a proceeding before the Missouri Public Service**  
15 **Commission (“MPSC” or “Commission”) or before any other utility regulatory**  
16 **agency?**

17 A: Yes, I have testified before the MPSC, the Kansas Corporation Commission (“KCC” or  
18 “Commission”), and have provided written testimony before the Public Utilities  
19 Commission of Colorado. I have sponsored testimony in Missouri related to various tariff  
20 filings involving rider mechanisms utilized by the Company. In addition, I have worked  
21 closely with both MPSC and KCC Staff on numerous filings and rate case matters.

22 **Q: What is the purpose of your testimony?**

1 A: The purpose of my testimony is to support the rate schedule filed by Evergy Missouri  
 2 Metro to adjust the Demand Side Investment Mechanism (“DSIM”) Rider. My testimony  
 3 will explain the change to the DSIM components based upon actual performance in the  
 4 six-month period ending April 2020, as well as forecasted performance through June  
 5 2021 for Cycle 2 and Cycle 3 Program Costs (“PC”) and Throughput Disincentive  
 6 (“TD”). In addition, the Earnings Opportunity (“EO”) for Cycle 2 for the three program  
 7 years beginning April 2016 through March 2019 is included in this rider update. The  
 8 proposed change in rates will result in an increase to a residential customer’s rate from  
 9 \$0.00589 to \$0.00640 per kWh or an increase of \$0.51 for every 1,000 kWh. Please see  
 10 the table below for a comparison by rate schedule of proposed DSIM rates to currently  
 11 effective rates and the impact to a customer using 1,000 kWh.

Rate Schedule	Total Current DSIM ER-2020-0154 (\$/kWh)	Total Proposed DSIM (\$/kWh)	Change Increase/ (Decrease) (\$/kWh)	Incr/(Decr) to Customer Bill (for every 1,000 kWh's used) (\$)
Residential Service	\$0.00589	\$0.00640	\$0.00051	\$0.51
Non-Res Service – SGS	\$0.00447	\$0.00525	\$0.00078	\$0.78
Non-Res Service - MGS	\$0.00384	\$0.00370	(\$0.00014)	(\$0.14)
Non-Res Service – LGS	\$0.00292	\$0.00309	\$0.00017	\$0.17
Non-Res Service – LPS	\$0.00208	\$0.00282	\$0.00074	\$0.74

12

13 **Q: What are the MEEIA rule requirements for adjustments of DSIM rates?**

14 A: The requirements for adjustment of DSIM rates are found in Commission rules 20 CSR  
 15 4240-20.093(4). In summary, the requirements outline that the update filing include  
 16 applicable DSIM rate tariff sheets, supporting testimony, and inclusion of the following:

- 1           A)     Amount of revenue that was over-collected or under-collected through the most  
2                    recent recovery period by rate class.
- 3           B)     Proposed positive or negative adjustments by rate class.
- 4           C)     Electric utility's short-term borrowing rate.
- 5           D)     Proposed adjustments to the current DSIM rates.
- 6           E)     Complete documentation for the proposed adjustments to the current DSIM rates.
- 7           F)     Any additional information the Commission ordered to be provided.
- 8           G)     Annual report as required by 20 CSR 4240-20.093(9).

9           As part of my Direct Testimony, I have included the information required for update of  
10           the DSIM rate in the attached Schedules LAS-1 and LAS-2. In addition, the Company's  
11           2019 Demand-Side Program Annual Report for MEEIA Cycle 1, referenced in Item G  
12           above, was filed on March 30, 2020 in Case No. EO-2020-0307 and the 2019 Demand-  
13           Side Program Annual Report for MEEIA Cycle 2, referenced in Item G above, was filed  
14           on June 28, 2019 in Case No. EO-2019-0410.

15   **Q:     Are you sponsoring this information?**

16   A:     Yes, I am.

17   **Q:     Please explain why Evergy Missouri Metro has filed an adjusted DSIM rate**  
18           **schedule at this time?**

19   A:     The Commission's rule governing DSIM filings and submission requirements for electric  
20           utilities specifically 20 CSR 4240-20.093(4) requires Evergy Missouri Metro to make at  
21           least annual adjustments of DSIM rates that reflect the amount of revenue that has been  
22           over/under collected. Evergy Missouri Metro's DSIM tariff requires two semi annual  
23           rate adjustments to become effective February 1 and August 1 of each year. Based upon

1 actual and estimated performance during the six-month time period(s), DSIM rates may  
2 be adjusted up or down.

3 **Q: How did you develop the various DSIM rate components that make up the proposed**  
4 **DSIM rate?**

5 A: As the MEEIA Cycle 3 DSIM tariff describes, the DSIM rate components consist of 1)  
6 Program Costs (“PC”), Throughput Disincentive (“TD”) and Earnings Opportunity  
7 (“EO”) for the MEEIA Cycle 3 Plan, as well as PC, TD and EO for commission approved  
8 business program projects completed by June 30, 2020 counted under the MEEIA Cycle  
9 2 Plan; 2) Reconciliations, with interest, to true-up differences between revenues billed  
10 under the DSIM rider and total actual monthly amounts for PC, TD, EO and any  
11 remaining true-ups or unrecovered amounts for Cycle 2; and 3) any Ordered  
12 Adjustments.

13 **Q: How did you develop the various DSIM rate components that make up the proposed**  
14 **DSIM rate?**

15 A: As the DSIM tariff for MEEIA Cycle 3 describes, the DSIM rate components consist of  
16 projected PC and TD for MEEIA Cycle 3 programs for the 12-months ending June 30,  
17 2021 as well as the reconciliation of actual and expected PC and TD for Cycle 3 through  
18 April 2020. The MEEIA Cycle 3 costs included in this filing are current forecasted  
19 levels of program participation and related costs.

20 Also included for recovery in the calculation of the DSIM rate are MEEIA Cycle 2  
21 PC, TD and EO for the 12-months ending June 30, 2021. The projected PC related to  
22 Cycle 2 included in this filing consists primarily of Evaluation, Measurement and  
23 Verification (“EMV”) costs for the Extension savings of Cycle 2 programs, and projected

1 TD associated with Cycle 2 for May 2020 through June 2021 as well as the reconciliation  
2 of actual and expected Program Costs, TD and EO for Cycle 2 through April 2020.  
3 Cycle 1 EO was fully collected during the current recovery period.

4 **Q: Please describe the amount of EO that has been included in this filing.**

5 A: Consistent with the current DSIM rates effective March 1, 2020, the EO included in this  
6 filing is based on verified MWh and MW savings for the three program years of Cycle 2  
7 beginning April 2016 through March 2019, including EO TD adjustments, which has  
8 been calculated in accordance with Tariff Sheet Nos. 49M and 49P. The MEEIA Cycle 2  
9 tariff provides for the recovery of the EO over 24 months. The Company took the total  
10 adjusted EO for Plan Years 1-3 and divided that amount by the four semi-annual rate  
11 update periods and has included an EO amount for the current Effective Period (“EP”),  
12 or six-months beginning July 2020, plus the succeeding EP as described on tariff Sheet  
13 No. 49S. An EO amount totaling \$4,427,285 has been included in the calculation of the  
14 DSIM rate in this filing. The sum of the PC, TD and EO amounts are divided by the  
15 projected billed retail kWh sales, excluding opt-out sales, by rate class for August 2020  
16 through July 2021 to develop the proposed DSIM rates.

17 **Q: Are there any other items impacting this filing that should be mentioned?**

18 A: As requested in the Company’s supplemental filing made on January 10, 2020 in Case  
19 No. ER-2020-0154, the Company requested a one-time extension of the DSIM rates in  
20 effect at that time until March 1, 2020. This request was necessary due to the timing of  
21 the Commission Order and effective date of compliance tariffs related to MEEIA Cycle  
22 3. The extension period provided additional time necessary for Staff’s review of the  
23 supplemental testimony and supporting documentation to support the Company’s request



1 for the inclusion of Cycle 3 costs at that time. The Company stated in its supplemental  
2 filing that the additional Cycle 2 revenues collected for the month of February 2020  
3 would be included in the Cycle 2 reconciliation in a subsequent filing. As such, the  
4 Company has included the additional Cycle 2 revenues collected during the month of  
5 February 2020 as part of the Cycle 2 reconciliation included in this semi-annual filing.

6 **Q: If the rate schedule filed by Evergy Missouri Metro is approved, what safeguards**  
7 **exist to ensure that the revenues the Company bills to its customers do not exceed**  
8 **actual DSM Program Costs, TD incurred, as well as the earnings opportunity or**  
9 **performance incentive?**

10 A: Evergy Missouri Metro's DSIM Rider mechanism and the Commission's rules provide  
11 two mechanisms to ensure that amounts billed to customers do not exceed Evergy  
12 Missouri Metro's actual, prudently incurred DSM Program Costs, TD and performance  
13 incentive or EO. First, at the end of each recovery period, the Company is required to  
14 true up amounts billed to customers through the DSIM Rider based upon Program Cost  
15 and TD actually incurred during that six-month period. Per MEEIA rule 20 CSR 4240-  
16 20.093(4), these adjustments will be supported by complete documentation and  
17 workpapers that demonstrate the need for DSIM rate adjustment. All proposed  
18 adjustments and supporting documentation is subject to review by MPSC Staff and all  
19 MEEIA stakeholders. Second, per MEEIA rule 20 CSR 4240-20.093(11), Evergy  
20 Missouri Metro's DSIM is subject to periodic prudence reviews by MPSC Staff to ensure  
21 that only prudently incurred Program Costs and TD are billed to customers. These two  
22 mechanisms serve as checks to ensure that the Company's customers pay only the

1 prudently incurred, actual Program Costs and TD resulting from implementation of  
2 MEEIA DSM programs.

3 **Q: Has Evergy Missouri Metro made any adjustments to previously filed costs included**  
4 **in the current DSIM rate?**

5 A: No.

6 **Q: Has Evergy Missouri Metro been subject to any prudence reviews by MPSC Staff?**

7 A: Yes, Evergy Missouri Metro has been through three prudence reviews and Staff is  
8 currently conducting its fourth prudence review that was initiated in February 2020.

9 In the first prudence review, initiated by Staff on January 15, 2016 in Case No.  
10 EO-2016-0183, Staff recommended seminar training costs of \$6,000 plus interest be  
11 returned to customers in the semi-annual DSIM rate update filed on November 30, 2016.  
12 The second prudence review was initiated by Staff on February 1, 2017 in Case No. EO-  
13 2017-0209. Staff found no instances of imprudence but recommended the Commission  
14 approve an adjustment of \$4,723 plus interest resulting from a calculation error found in  
15 the Company's performance incentive award amount for Cycle 1 be returned to  
16 customers in the semi-annual DSIM rate update filed on June 1, 2018.

17 In the third prudence review initiated by Staff on June 4, 2018 in Case No. EO-  
18 2018-0363, the Company, Staff and the Office of the Public Counsel entered into a  
19 Unanimous Stipulation and Agreement dated February 20, 2019 which was approved by  
20 the Commission on March 6, 2019. As a result of this agreement, the Company included  
21 the Ordered Adjustment which reduced proposed costs for recovery by \$8,500 plus  
22 carrying costs of \$187 in the rider rate effective August 1, 2019, Case No. ER-2019-  
23 0375.

1                   Staff's Report and Recommendation based on its examination and analysis of  
2                   costs in the fourth prudence review, Case No. EO-2020-0227, is expected by June 30,  
3                   2020.

4   **Q:   What action is Evergy Missouri Metro requesting from the Commission with**  
5                   **respect to the rate schedule that the Company has filed?**

6   A:   The Company requests the Commission approve the rate schedule to become effective  
7                   August 1, 2020.

8   **Q:   Does that conclude your testimony?**

9   A:   Yes, it does.